217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT - NSPS SOURCE - REVISED

PERMITTEE

Marathon Ashland Pipeline LLC
Attn: James E. Owens
South 6th Street
Wood River, Illinois 62095-0261

DRAFT

Application No.: 73021451
Applicant's Designation:
Subject: Bulk Terminal
Date Issued:
Location: Foot of 7th Street, Hartford
and South 6th Street, Wood River

I.D. No.: 119115AAJ
Date Received: July 27, 2005
Expiration Date:

This permit is hereby granted to the above-designated Permittee to OPERATE emission unit(s) and/or air pollution control equipment consisting of:

One Internal Floating Roof Storage Tank (Tank 627),
Two Fixed Roof Storage Tanks (Tanks A-8-3 and WR-3),
Nine External Floating Roof Storage Tanks (Tanks 1256, 1261, 1262, 1274, 1286, 1287, 1288, 1297, and 1298),
One Wastewater Storage Tank (1289),
One Portable Wastewater Storage Tank (frac tank) and
One Barge Loading Rack

pursuant to the above-referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

1a. This federally enforceable state operating permit is issued to limit the emissions of air pollutants from the source to less than major source thresholds (i.e., volatile organic material (VOM) to less than 100 tons/year, combined hazardous air pollutants (HAPs) to less than 25 tons/year, and single hazardous air pollutant (HAP) to less than 10 tons/year). As a result the source is excluded from the requirement to obtain a Clean Air Act Permit Program (CAAPP) permit. The maximum emissions of this source, as limited by the conditions of this permit, are described in Attachment A.

b. Prior to issuance, a draft of this permit has undergone a public notice and comment period.

c. This permit supersedes all operating permits issued for this location.

2. The emissions of Hazardous Air Pollutants (HAP) as listed in Section 112(b) of the Clean Air Act shall be less than 10 tons/year of any single HAP and 25 tons/year of any combination of such HAPs. As a result of this condition, this permit is issued based on the emissions of all HAPs from this source not triggering the requirements to obtain a Clean Air Act Permit Program Permit (CAAPP), and Section 112(G) of the Clean Air Act.

3. Storage Tanks 627, 1256 and 1287 are subject to the New Source Performance Standards (NSPS) for Volatile Organic Liquid Storage Vessels (including Petroleum Liquid Storage Vessels) for Which Construction, Reconstruction, or Modification Commenced after July 23, 1984, 40 CFR 60, Subparts A and Kb. The Illinois EPA is administering this regulation in Illinois on behalf of the United States EPA under a delegation agreement.

   a. The internal floating roof storage tank 627 shall be installed and operated in accord with the standards of 40 CFR 60.112b(a)(1).

   b. The external floating roof tanks 1256 and 1287 shall be installed and operated in accord with the standards of 40 CFR 60.112b(a)(2).

   c. The Permittee shall conduct all required inspections, maintain all required records, and submit all notification and reports in accord with the provisions of 40 CFR 60.113b, 40 CFR 60.115b and 60.116b.

4. This permit limits the throughput of raw material and air emissions such that volatile organic material (VOM) and hazardous air pollutants (HAPs) are below major source levels, and therefore, the source is exempted by 40 CFR 63.420(b)(2) from 40 CFR 63, Subpart R, National Emission Standard for Gasoline Distribution Facility (Bulk Gasoline Terminals and Pipeline Breakout Stations). To limit potential fugitive emissions, the Permittee shall implement a leak control program.

5a. Pursuant to 35 Ill. Adm. Code 219.123 (b), the owner or operator of the internal floating roof storage tanks and external floating roof Storage tanks shall not cause or allow the storage of any volatile petroleum liquid in the tank unless:

   i. The tank is equipped with one of the vapor loss control devices specified in 35 Ill. Adm. Code 219.121(b).

   ii. There are no visible holes, tears or other defects in the seal or any seal fabric or material of any floating roof.

   iii. All openings of any floating roof deck, except stub drains, are equipped with covers, lids or seals such that:

A. The cover, lid or seal is in the closed position at all times except when petroleum liquid is transferred to or from the tank;

B. Automatic bleeder vents are closed at all times except when the roof is floated off or landed on the roof leg supports; and

C. Rim vents, if provided, are set to open when the roof is being floated off the roof leg supports or at the manufacturer's recommended setting.

iv. Routine inspections of floating roof seals are conducted through roof hatches once every six months.

v. A complete inspection of the cover and seal of any floating roof tank is made whenever the tank is emptied for reasons other than the transfer of petroleum liquid during the normal operation of the tank, or whenever repairs are made as a result of any semiannual inspection or incidence of roof damage or defect.

vi. A record of the results of each inspection conducted under 35 Ill. Adm. Code 219.123 (b)(4) or 35 Ill. Adm. Code 219.123 (b)(5) is maintained.

b. Pursuant to 35 Ill. Adm. Code 219.124 (a), the owner or operator of the external floating roof storage tanks shall not cause or allow the storage of any volatile petroleum liquid in the tank unless:

i. The tank has been fitted with a continuous secondary seal extending from the floating roof to the tank wall (rim mounted secondary seal) or any other device which controls volatile organic material emissions with an effectiveness equal to or greater than a rim mounted secondary seal.

ii. Each seal closure device meets the following requirements:

A. The seal is intact and uniformly in place around the circumference of the floating roof between the floating roof and tank wall; and

B. The accumulated area of gaps exceeding 0.32 centimeter (ñ inch) in width between the secondary seal and the tank wall shall not exceed 21.2 square centimeters per meter of tank diameter (1.0 square inches per foot of tank diameter.

iii. Emergency roof drains are provided with slotted membrane fabric covers or equivalent covers across at least 90 percent of the area of the opening;

iv. Openings are equipped with projections into the tank which remain below the liquid surface at all times;

v. Inspections are conducted prior to May 1, of each year to insure compliance with 35 Ill. Adm. Code 219.124 (a);

vi. The secondary seal gap is measured prior to May 1, of each year;

vii. Records of the types of volatile petroleum liquid stored, the maximum true vapor pressure of the liquid as stored, the results of the inspections and the results of the secondary seal gap measurements are maintained and available to the Agency, upon verbal or written request, at any reasonable time for a minimum of two years after the date on which the record was made.

c. The Permittee shall not loadout any crude oil, gasoline, or gasoline blend through the barge loading terminal from May 1 through September 15, without a demonstration of compliance with 35 Ill. Adm. Code 219.762.

6a. Emissions and operation of Storage Tanks shall not exceed the following limits:

Process	Throughput (Gal/Mo)	Throughput (Gal/Yr)
Gasoline, Naphtha, Distillate and Ethanol Total Storage*	84,000,000	845,500,000
Crude Oil Storage*	430,000,000	4,338,378,000
Additive Storage*	2,800	29,686

VOM Emissions (Lb/Mo)	VOM Emissions (Ton/Yr)
19,948	59.97**

* Based on standard AP-42 emission factors for breathing losses, working losses, and floating roof landing losses.
** Combined emissions from Product, Additive and Crude Oil Storage

These limits are based on standard AP-42 emission factors and the information provided in the permit application. Compliance with annual limits shall be determined from a running total of 12 months of data.

b. Emissions and operation of the Barge Loading Rack shall not exceed the following limits:

Process	VOM Emission Factor (Lb/Gal)
Gasoline Blend# and/or Gasoline Loadout	0.0034
Naphtha Loadout	0.0012
Distillate Loadout	0.000012
Crude Oil Loadout	0.0010

VOM Emissions (Lb/Month)	(Ton/Year)
12,660	37.98

[#] Gasoline blend consists of 90% gasoline and 10% ethanol.

Each month the barge loading emissions (lb/month and Ton/year) shall be calculated by totaling each material loaded (gallon) multiplied by the corresponding emission factor (lb/gallon).

These limits are based on standard AP-42 emission factors (Section 5.2) and the information provided in the permit application. Compliance with annual limits shall be determined from a running total of 12 months of data.

c. i. Gasoline and gasoline blend means; any commercial quality gasoline and blend stocks for use as fuel in motor vehicle without further processing.

ii. A petroleum product shall be considered to be a distillate material if the true vapor pressure is less than 0.01 psia at 70°F.

iii. A petroleum product shall be considered to be a Naphtha material if the true vapor pressure is between 1.6 and 0.01 psia at 70°F.

7. Emissions of VOM from fugitive losses (pumps, valves, seals, etc.), and maintenance activities shall not exceed 1.85 ton/yr.

8a. Pursuant to 40 CFR 63.10(b)(3), if an owner or operator determines that his or her stationary source that emits (or has the potential to emit, without considering controls) one or more hazardous air pollutants regulated by any standard established pursuant to section 112(d) or (f) of the Clean Air Act, and that stationary source is in the source category regulated by the relevant standard, but that source is not subject to the relevant standard (or other requirement established under 40 CFR Part 63) because of limitations on the source's potential to emit or an exclusion, the owner or operator must keep a record of the applicability determination on site at the source for a period of 5 years after the determination, or until the source changes its operations to become an affected source, whichever comes first. The record of the applicability determination must be signed by the person making the determination and include an analysis (or other information) that demonstrates why the owner or operator believes the source is unaffected (e.g., because the source is an area source). The analysis (or other information) must be sufficiently detailed to allow the USEPA and/or Illinois EPA to make a finding about the source's applicability status with regard to the relevant standard or other requirement. If relevant, the analysis must be performed in accordance with requirements established in relevant subparts of 40 CFR Part 63 for

this purpose for particular categories of stationary sources. If relevant, the analysis should be performed in accordance with USEPA guidance materials published to assist sources in making applicability determinations under Section 112 of the Clean Air Act, if any. The requirements to determine applicability of a standard under 40 CFR 63.1(b)(3) and to record the results of that determination under 40 CFR 63.10(b)(3) shall not by themselves create an obligation for the owner or operator to obtain a Title V permit.

b. The Permittee shall maintain records of the following:

i. The throughput of each product through the loading rack (gallon/month and gallon/year);

ii. The throughput of each product stored for each storage tank. (gallon/month and gallon/year);

iii. Monthly and annual emissions of VOM and HAP for each product from the loading racks with supporting calculations as determined through Standard AP-42 emissions factors or other methods approved by the USEPA (lb/month and ton/year);

iv. Total monthly and annual emissions of VOM and HAP for each product from the Storage Tanks with supporting calculations as determined through Standard AP-42 emission factors or the most current version of the TANKs software (lb/month and ton/year); and

v. Total monthly and annual emissions of VOM and HAP for the facility with supporting calculations (lb/month and ton/year).

9. All records and logs required by this permit shall be retained at a readily accessible location at the source for at least five (5) years from the date of entry and shall be made available for inspection and copying by the Illinois EPA or USEPA upon request. A location other than the source is acceptable provided that the records are immediately retrievable and available upon request. Any records retained in an electronic format (e.g., computer) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to an Illinois EPA or USEPA request for records during the course of a source inspection.

10. In the event of a malfunction or breakdown of a floating roof, primary seal, or secondary seal of an affected tank, the Permittee is authorized to continue operation of the tank in violation of the applicable requirement of 35 IAC 219.121, 219.123, and/or 219.124, as necessary to prevent risk of injury to personnel or severe damage to equipment. This authorization is subject to the following requirements:

a. The Permittee shall repair the damaged feature(s) of the storage tank or empty and remove the tank from VPL service as soon as practicable. This shall be accomplished within 45 days unless the feature(s) cannot be repaired within 45 days and the storage tank

cannot be emptied and removed from service within 45 days, and the Permittee obtains an extension for up to 30 days, from the IEPA. The request for such an extension must document that alternative storage capacity is unavailable and specify a schedule of actions the Permittee will take that will assure the feature(s) will be repaired or the storage tank emptied as soon as possible.

b. The Permittee shall keep records of the date and duration of the malfunction or breakdown, a detailed explanation of the malfunction/ breakdown, an explanation of why the damaged features could not be immediately repaired or the tank emptied and removed from service without risk of injury to personnel or severe damage to equipment, the measures used to reduce the quantity of emissions during the breakdown, steps taken to prevent future breakdowns or reduce their severity, and the amount of release above typical emissions during malfunction/breakdown.

11. If there is an exceedance of the requirements of this permit as determined by the records required by this permit, the Permittee shall submit a report to the Illinois EPA's Compliance Section in Springfield, Illinois within 30 days after the exceedance. The report shall include the emissions released in accordance with the recordkeeping requirements, a copy of the relevant records, and a description of the exceedance or violation and efforts to reduce emissions and future occurrences.

12. Two (2) copies of required reports and notifications shall be sent to:

Illinois Environmental Protection Agency
Division of Air Pollution Control
Compliance Section (#40)
P.O. Box 19276
Springfield, Illinois 62794-9276

and one (1) copy shall be sent to the Illinois EPA's regional office at the following address unless otherwise indicated:

Illinois Environmental Protection Agency
Division of Air Pollution Control
2009 Mall Street
Collinsville, Illinois 62234

Please note that this permit has been revised to allow operational flexibility of the barge dock and tank farm.

If you have any questions on this permit, please call John Blazis at 217/782-2113.

Donald E. Sutton, P.E.
Manager, Permit Section
Division of Air Pollution Control

DES:JPB:

cc: Illinois EPA, FOS Region 3
Lotus Notes

Attachment A - Emission Summary

This attachment provides a summary of the maximum emissions from this source (Marathon Ashland Pipeline, LLC Facility, located in Hartford and Wood River, Illinois), operating in compliance with the requirements of this federally enforceable permit. In preparing this summary, the Illinois EPA used the annual operating scenario which results in maximum emissions from this facility. The permit limits the storage and loadout of the various products handled by the facility. The resulting maximum emissions are below the levels, (i.e., volatile organic material (VOM) to less than 100 tons/year, combined hazardous air pollutants (HAPs) to less than 25 tons/year, single hazardous air pollutants (HAP) to less than 10 tons/year) at which this source would be considered a major source for purposes of the Clean Air Act Permit Program. Actual emissions from this source will be less than predicted in this summary to the extent that less product material is handled and control measures are more effective than required in this permit.

	Emissions (Ton/Yr)		
Process	VOM	Individual HAP	Combined HAP
Gasoline, Naphtha, Distillate, Ethanol, Crude Oil and Additive Storage	59.97		
Loading Rack	37.98		
Pressurized storage	0.044		
Fugitive Losses and maintenance activities	1.85		
	99.844	< 10	< 25

JPB: